

**Item 1      Cover Page**



**Hull Street Energy, LLC**  
**Part 2A of Form ADV**  
**Firm Brochure**

4920 Elm Street, Suite 205  
Bethesda, MD 20814

March 29, 2019

This brochure provides information about the qualifications and business practices of Hull Street Energy, LLC (“Hull Street”). If you have any questions about the contents of this brochure, please contact the Chief Financial Officer, David Meeker, at (240) 800-3217. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Being a “registered investment adviser” or describing Hull Street as being “registered” does not imply a certain level of skill or training.

Additional information about Hull Street is also available on the SEC's website at:  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2      Material Changes

Hull Street Energy, LLC (“**Hull Street**”) is a registered investment adviser with the United States Securities and Exchange Commission (the “**SEC**”). There have been no material changes since Hull Street’s last update to its Form ADV Part 2A, dated June 28, 2018 (the “**Brochure**”). The Firm may further provide other ongoing disclosure information about material changes as necessary. This updated brochure includes non-material updated information and you should read it in its entirety.

### Item 3      Table of Contents

	<b><u>Page</u></b>
Item 1      Cover Page .....	1
Item 2      Material Changes.....	3
Item 3      Table of Contents .....	4
Item 4      Advisory Business .....	5
Item 5      Fees and Compensation.....	7
Item 6      Performance-Based Fees and Side-by-Side Management.....	10
Item 7      Types of Clients.....	10
Item 8      Methods of Analysis, Investment Strategies and Risk of Loss .....	12
Item 9      Disciplinary Information .....	18
Item 10      Other Financial Industry Activities and Affiliations .....	19
Item 11      Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	21
Item 12      Brokerage Practices .....	23
Item 13      Review of Accounts .....	24
Item 14      Client Referrals and Other Compensation.....	25
Item 15      Custody.....	26
Item 16      Investment Discretion.....	27
Item 17      Voting Client Securities .....	28
Item 18      Financial Information .....	29

## Item 4      **Advisory Business**

### A.      Background and Principal Owners

Hull Street Energy, LLC (“**Hull Street**” or “**Manager**”), founded in 2014, operates as an energy-focused investment management firm targeting energy assets within the North American middle market power sector. Hull Street is headquartered in Bethesda, Maryland and is principally controlled by Sarah Wright and led by Sarah Wright, Mark Orman, Matthew Willis, Michael Booth (the “**Founding Partners**”). The Hull Street team is led by the Founding Partners, as well as Steven Morris and David Meeker (together with the Founding Partners, the “**Principals**”).

Hull Street currently provides investment advisory and management services for the following investment vehicles (each a “**Fund**” and, collectively, the “**Funds**”):

- Hull Street Energy Partners I, L.P. (“**Fund I**”),
- Hull Street Energy Partners I (Parallel), L.P. (“**Fund I-P**”),
- Hull Street Energy Co-Invest Fund I-A, LP (“**Co-Invest I-A**”),
- HSE Hydro Co-Invest Fund, L.P. (“**Hydro Co-Invest**”) and
- HSE Hydro NH Co-Invest Fund, L.P. (“**Hydro NH Co-Invest**”).

Hull Street’s managed investment vehicles will typically be formed as limited partnerships with affiliate(s) of Hull Street acting as the general partners.

### B.      Types of Advisory Services

Currently, Hull Street provides investment advisory and management services to the Funds. Fund I has a broad investment mandate, seeking long-term capital appreciation through a variety of investments in the middle market energy sector in the United States and Canada. Fund I-P was established concurrently with Fund I as a dedicated parallel investment vehicle and will invest in the same portfolio investments, on a pro rata basis, as Fund I.

Co-Invest I-A, Hydro Co-Invest and Hydro NH Co-Invest (collectively, the “**Co-Invest Funds**”) were established, prior to Fund I and Fund I-P, as dedicated co-invest vehicles for the purpose of warehousing portions of investments (directly or indirectly through one or more holding companies or special purpose vehicles) in single portfolio investments for Fund I and Fund I-P pending their launch. Additional details regarding the warehousing and transfer of Co-Invest Fund investments are further described below in *Item 11.B, “Participation or Interest in Client Transactions”*.

Hull Street’s investment advisory services to the Funds include sourcing, investigating, analyzing, structuring and negotiating potential investments, monitoring the performance of portfolio companies, and advising the Funds as to disposition opportunities. Hull Street tailors its advisory services to each Fund in accordance with each Fund’s investment strategy, as disclosed in each Fund’s private placement memoranda, management agreements and partnership agreements (the “**Governing Fund Documents**”). Additional specific details of the Manager’s advisory services are set forth in the applicable Fund’s Governing Fund Documents and are further described below in *Item 8, “Methods of Analysis, Investment Strategies and Risk of Loss.”*

Limited partner interests in the Funds are not registered under the Securities Act of 1933, as amended (the “**Securities Act**”), and the Funds are not registered under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). Accordingly, interests in the Funds are offered and sold exclusively to Investors satisfying the applicable eligibility and suitability requirements for private transactions applicable to each Fund.

Hull Street may invest alongside strategic, financial or other third party co-investors, and may offer to certain of the Funds’ investors (the “**Investors**”) or other persons the opportunity to participate in co-invest vehicles that will invest in certain portfolio companies alongside the Funds. To date, the only three such co-invest vehicles established by Hull Street are Co-Invest I-A, Hydro Co-Invest and Hydro NH Co-Invest. The fee structure of a co-invest vehicle will typically differ from that of the principal investing Fund. Such co-invest vehicles typically invest and dispose of their investments in the applicable portfolio company at the same time and on the same terms as the respective Funds. Additional information surrounding conflicts of interest with respect to co-invest vehicles are further described below in *Item 10, “Other Financial Industry Activities and Affiliations*.

C. Tailoring of Advisory Services

As noted in Item 4(B) above, Hull Street tailors the advisory services provided to each Fund to meet the investment strategy set forth in each Fund’s Governing Fund Documents. However, Hull Street does not tailor its advisory services to the needs of the individual Investors, and Investors may not impose restrictions on the securities or types of securities in which each Fund invests.

D. Wrap Fee Programs

Hull Street does not offer or participate in wrap fee programs.

E. Assets Under Management

As of March 29, 2019, Hull Street advises approximately \$345.4 million assets under management on a discretionary basis. Hull Street does not currently plan to manage any client assets on a non-discretionary basis.

## Item 5 Fees and Compensation

### A. Hull Street Compensation

The Governing Fund Documents of each Fund set forth in detail the fee structure relevant to each Fund. Investors and prospective investors in the Funds should refer to the Governing Fund Documents for the applicable Fund for a detailed description of the investment management fee calculations and carried interest distributions. Specific fee disclosure is not provided in this Brochure as all Clients are Qualified Purchasers as defined under Section (2)(a)(51)(A) of the Advisers Act.

### B. How Hull Street Collects Fees

Hull Street typically receives compensation from fees based on a percentage of assets under management, carried interest distributions, and payment of certain other fees or expenses as disclosed in the Governing Fund Documents. Investors should review carefully the Governing Fund Documents to fully understand all of the fees and expenses that will be incurred by the Funds.

As compensation for investment advisory services rendered to the Funds, Hull Street receives a management fee, charged quarterly in advance. Such management fee is payable on a *pro rata* basis for any period that is less than a full quarterly period. Hull Street or an affiliated entity, in its sole discretion, may waive or reduce the management fee to be paid by any Investor, including Investors that are principals, employees or affiliates of Hull Street, or relatives of such persons, and for certain large or strategic investors.

Hull Street or an affiliated entity may also receive a carried interest or other performance-based allocation from the Funds. The Funds are subject to a “European Style” distribution “waterfall” under which aggregate capital contributions (in respect of realized and unrealized investments) and a preferred return on capital are paid or returned to limited partners prior to performance-based distributions being made to Hull Street or an affiliated entity, subject to prior “catch-up” distributions to Hull Street or an affiliated entity. Hull Street or an affiliated entity may, in its sole discretion, waive or reduce the carried interest or other performance-based distributions to be paid by any Investor, including Investors that are principals, employees or affiliates of Hull Street, or relatives of such persons.

An additional discussion of carried interest distributions is included in *Item 6 – Performance-Based Fees and Side-by-Side Management* below. Additional information surrounding conflicts of interest with respect to co-invest vehicles are further described below in *Item 10 – Other Financial Industry Activities and Affiliations*.

### C. Other Fees and Expenses

The Governing Fund Documents set forth in detail the costs and expenses to be borne by each Fund. In general, all costs and expenses related to a Fund’s operations will be borne by that Fund, including fees, costs and expenses related to the evaluation, purchase, holding and sale of portfolio investments (to the extent not reimbursed by a portfolio company or other party); expenses incurred in connection with transactions not consummated; travel and entertainment expenses related to the foregoing (including, as may be applicable, business class flights); insurance premiums; taxes, including the preparation of such Fund’s financial statements, tax returns and Schedule K-1s, and the representation of the Fund or the Partners regarding tax matters; custodial, banking and administration expenses; appraisal and valuation expenses; fees and expenses of accountants, counsel and consultants; costs and expenses of the Advisory Committee and the annual meeting; certain regulatory and compliance expenses as relates specifically to the Fund and its portfolio companies, including Form PF, U.S. Treasury forms and FATCA compliance,

but excluding the costs of the Manager's general compliance with the Investment Adviser's Act of 1940 (the "*Advisers Act*"); litigation expenses; costs of winding up and liquidating the Fund; and other extraordinary expenses.

Hull Street does not expect to charge portfolio companies directors' fees, transaction fees, monitoring fees, advisory fees, break-up fees and other similar fees. To the extent that any such fees are received, Hull Street will reduce the management fee by an amount equal to 100% of such fees, net of any unreimbursed expenses incurred by Hull Street in connection with unconsummated transactions.

Each Fund bears all legal and other expenses incurred in the formation of such Fund and the offering of such Fund's interests (other than any placement fees). Organizational expenses in excess of the limit described in each Fund's governing documents, if any, and any placement fees, will be paid by the Fund but borne by the Manager through a 100% offset against the management fee.

Generally, Hull Street or an affiliated entity will pay the compensation and overhead expenses of the personnel who act on their behalf. On occasion, personnel of Hull Street may provide accounting, reporting, data processing, legal, environmental, investment-level management and servicing, market research, and other similar services to the Funds that would otherwise be performed by third parties. In each instance, subject to Advisory Committee approval, the Funds will reimburse Hull Street at cost for such services, including employment costs and related overhead expenses, as reasonably determined by Hull Street, provided that such reimbursements will not exceed the amount payable if such services were provided by third parties on an arms' length basis.

Additionally, Hull Street, or an affiliate, may provide certain operational corporate management services to one or more portfolio companies of the Funds (collectively "*PCOM Services*"). PCOM Services provided by Hull Street to a portfolio company shall be pursuant to a PCOM Services agreement, subject to the applicable Fund governing documents, and shall be limited to those services that Hull Street, or its affiliate, reasonably determines the portfolio company would otherwise have been required to hire personnel to provide or have procured from third parties. Hull Street Principals and investment team members may provide PCOM Services subject to certain time and expense caps. Any PCOM Services fees and expenses shall be charged in a manner consistent with industry practices; provided that any fees shall not exceed the amount that a third party would pay for such PCOM Services in an arm's length transaction. PCOM Services expenses do not offset any management fees paid to Hull Street.

To the extent that any fees, costs and expenses are incurred for the benefit of more than one Fund, Hull Street may allocate such expenses amongst the Funds (or, in certain cases, amongst the relevant Fund and Hull Street). Any such allocation would be made on a basis reasonably believed by Hull Street to be fair and equitable based on relevant facts, such as the relative size of the participating Fund, the activity of the Fund and the particular circumstances that caused the expense to be incurred with respect to each entity. Hull Street will evaluate, and change, any such allocation practices to ensure that such allocations are based on a sound method.

#### D. Advance Payment

Investors will pay management fees quarterly in advance until the termination of the respective Fund. Installments of the management fee payable for any period other than a full quarterly period will be adjusted on a pro rata basis according to the actual number of days in such period.



E. Compensation for Sales of Securities

Neither Hull Street nor any of its supervised persons accepts compensation for the sale of securities or other investment products at the current time.

## **Item 6          Performance-Based Fees and Side-by-Side Management**

As described in *Item 5 – Fees and Compensation* above, Hull Street advises Funds in which Hull Street or an affiliated entity will receive a performance-based distribution in the form of a carried interest based on a share of a Fund's profits on distributions derived from the disposition of investments. Hull Street may in the future raise additional pooled investment vehicles in which performance-based compensation is earned. See *Item 10, "Other Financial Industry Activities and Affiliations*.

Such carried interest may create an incentive for Hull Street to make investments on behalf of an investment vehicle that are riskier or more speculative than would be the case if Hull Street did not charge carried interest based on investment profits. In addition, the method of calculating the carried interest may result in conflicts of interest between Hull Street or the affiliated entity, on the one hand, and the Investors, on the other hand, with respect to the management and disposition of investments, including the timing and sequence of such dispositions. However, Hull Street believes this incentive is mitigated by the fact that losses will reduce the performance of the relevant vehicle and thus, Hull Street's or the affiliated entity's compensation. Hull Street also seeks to address these potential conflicts through careful vetting of investment opportunities by Hull Street's investment professionals and full disclosure of investments to limited partners by way of quarterly reports.

If Hull Street were to advise additional pooled investment vehicles in the future, Hull Street may be incentivized to favor one client over another if the calculation of incentive distributions differed between the clients. However, such potential conflicts are mitigated by restrictions on forming a new fund that would compete with its currently investing funds for similar investments until such current fund(s) are substantially invested or committed for investment or until the end of its investment period.

Hull Street is aware that certain conflicts may arise by virtue of its determination to forego or reduce compensation in the case of any Funds, including the possibility that Hull Street could be motivated to allocate investment opportunities to fee paying clients, rather than to the Funds that don't pay fees or pay reduced fees. However, the Co-Invest Funds were raised or formed for the sole purpose of investing in single warehoused investments, and such vehicles do not make additional investments beyond such single investments. In addition, with regard to the potential risk that Fund I or Fund I-P investors may bear additional fees to compensate for the absence or reduction of fees in respect of the Co-Invest Funds, fees and expenses borne by Fund I and Fund I-P are in Hull Street's view, market fees with applicable incentives for Hull Street to make appropriate investments for Fund I and Fund I-P. Hull Street does not believe Fund I or Fund I-P investors are disadvantaged (including by way of any potential for Hull Street to take additional risk at Fund I or Fund I-P) by the Co-Invest Fund structures.

As discussed in Item 10, Hull Street is highly focused on managing conflicts of interest. Hull Street has adopted policies and procedures designed to address and mitigate potential conflicts of interest in respect of any side-by-side investment management activities. See *Item 10, "Other Financial Industry Activities and Affiliations*.

## **Item 7          Types of Clients**

As noted in Item 4, Hull Street provides portfolio management services to the Funds. In the future, the Manager may provide portfolio management services to additional investment vehicles that operate as exempt investment pools under the Investment Company Act of 1940, as amended. The Investors participating in Hull Street investment vehicles may include individuals, banks or thrift institutions, sovereign wealth funds, pension and profit-sharing plans, trusts, estates, charitable organizations or other corporations or business entities and also may include, directly or indirectly, principals or other employees of Hull Street. Details concerning applicable suitability criteria and minimum investment commitments are

set forth in the respective Governing Fund Documents. Hull Street, in its sole discretion, may waive or accept less than the minimum investment commitment.

Investors in the Funds qualify as both “accredited investors,” as defined under the Securities Act of 1933, as amended (the “*Securities Act*”), and “qualified purchasers,” as defined under the Investment Company Act of 1940, as amended. Generally, an “accredited investor” includes (a) a person with an individual net worth, or joint net worth with the person’s spouse, that exceeds \$1,000,000 (excluding the value of such persons primary residence) and (b) a person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year. A “qualified purchaser” generally includes a person who owns not less than \$5,000,000 in investments or a company which owns not less than \$25,000,000 in investments.

## Item 8      **Methods of Analysis, Investment Strategies and Risk of Loss**

### A.      Analysis and Strategies

Hull Street invests primarily in the North American middle market power sector and seeks to capitalize on under-managed power assets such as power plants, including coal, oil and natural gas fired plants, as well as hydroelectric, wind, solar and other renewable plants. Hull Street will additionally invest in demand-side resources, such as smart-grid technologies, energy storage, customer supply, distributed generation and related businesses. Hull Street expects to enhance the value of the Fund's investments primarily through the application of its management expertise and practices, which include the rationalization and optimization of: asset dispatch protocols, financing structures, risk management processes, plant operations, sales contracts, fuel purchasing or switching capabilities and expansion opportunities. Hull Street will seek opportunities in which it can be the lead or controlling investor in order to implement meaningful, post-acquisition value-creation initiatives.

Hull Street believes that the Principals' experience investing in and operating companies in the power market, and the network of industry contacts developed over that period, will enable Hull Street to identify suitable investment opportunities.

Hull Street conducts rigorous due diligence on each prospective portfolio company, which involves, among other things, inspecting the books and records of the company, interviewing management, and analysis of the company within the North American middle market power sector. Hull Street may also consult with professional advisors, including lawyers, accountants and tax professionals, in the course of evaluating or executing a transaction.

Investing in securities involves the risk of loss. The purchase of interests in a Fund involves a number of significant risks, including but not limited to those listed below, that should be carefully considered by potential Investors before making any investment. Additional risks factors are disclosed in the Governing Fund Documents of the relevant Funds. As a result of these risks, and other risks inherent in any investment, there can be no assurance that a Fund will meet its investment objectives or otherwise be able to carry out its investment program successfully or that an Investor will receive a return of its capital. The possibility of partial or total loss of capital exists and Investors must be prepared to bear capital losses that might result from investing in a Fund.

### B.      Material Risks

The discussion below enumerates certain risk factors that apply generally to an investment in any Fund. Prior to making any investment in a Fund, Investors should carefully review the applicable offering documents for a more complete description of the risk factors and conflicts of interest relating to such Fund.

#### Certain Economic Risks Relating to the Funds

##### *Nature of Investment*

An investment in the Funds requires a long-term commitment, with no certainty of return. Although some investments may generate current income, many investments will generate little or no near-term cash flows to Investors as a return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. Many of the Funds' investments will be highly illiquid, and there can be no assurance that the Funds will be able to realize returns on such investments in a timely manner. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to Investors. Additionally, the Funds typically will acquire securities that cannot be

sold except pursuant to a registration statement filed under the Securities Act, or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. Certain of the Funds' investments may be in businesses with little or no operating history. Certain of the Funds' investments may be in businesses with high levels of debt or may be investments in leveraged acquisitions; leveraged acquisitions by their nature require companies to undertake a high ratio of fixed charges to available income. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses. The Funds' investments will be concentrated in the North American middle market power industry; therefore, adverse changes in the industry could materially adversely affect the Funds (see "***Certain Risks Associated with Investments in the Middle Market Power Industry and Related Assets***" below). Since the Funds may only make a limited number of investments, and since the Funds' investments generally will involve a high degree of risk, poor performance by a small set of the investments could severely affect the total returns to the Investors.

Certain of the Funds' investments may be in businesses operating or organized outside of the United States. Such investments will involve risks not typically associated with investments in the securities of U.S. companies. For instance, investments in non-U.S. businesses (i) may require significant government approvals under corporate, securities, exchange control, non-U.S. investment and other similar laws and regulations, (ii) may require financing and structuring alternatives and exit strategies that differ substantially from those commonly used in the United States and (iii) will expose the Fund to potential losses arising from changes in foreign currency exchange rates. The foregoing factors may increase transaction costs and adversely impact the value of the Fund's investments in non-U.S. portfolio companies.

#### *Valuation*

Due to the nature of Hull Street's investments, as described above, the valuation of such investments may involve uncertainties and judgments, and if such valuations should prove to be incorrect, the net asset value of the Funds could be adversely affected.

#### *Competitive Nature of Hull Street's Business*

Hull Street will be competing for investment against other groups, including other private equity investment and hedge funds, large and well-capitalized industrial groups, project developers and operators, strategic companies, and commercial, investment and merchant banks. Some of these competitors could have financial and strategic resources significantly in excess of those of Hull Street, may be willing to provide financing and other operational assistance to middle market power companies on more favorable terms than Hull Street and may make competing offers for investment opportunities that are identified by Hull Street. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to the Funds and adversely affecting the terms upon which investments can be made. Consequently, Hull Street may be unable to identify a sufficient number of attractive investment opportunities for the Funds to meet their investment objectives. Other investors may make competing offers for investment opportunities that are identified, and even after an agreement in principle has been reached with the board of directors or owners of an acquisition target, consummating the transaction is subject to a myriad of uncertainties, only some of which are foreseeable or within the control of Hull Street or the general partners.

#### *Dependence on Key Personnel*

The success of the Fund depends in substantial part on the skill and expertise of the Principals and other employees of the Manager. There can be no assurance that the Principals or other employees of the Manager will continue to be employed by the Manager throughout the life of the Fund. The loss of key personnel could have a material adverse effect on the Fund.

### *Lack of Operating History*

Although certain Hull Street employees have had extensive experience investing in the middle market power sector, Hull Street has a limited operating history upon which to evaluate its performance.

### *Restrictions on Transfer and Withdrawal*

Interests in the Funds have not been registered under the Securities Act or any other applicable securities laws. There is no public market for these interests and none is expected to develop. In addition, these interests are not transferable except with the consent of the relevant general partner, which may be withheld by the general partner in its sole discretion, and are subject to the terms and conditions of the Governing Fund Documents. Investors generally may not withdraw capital from the Funds. Consequently, Investors may not be able to liquidate their investments prior to the end of the Funds' terms.

### *Side Letters*

The general partners and the Funds may enter into other written agreements ("**Side Letters**") with one or more Investors. These Side Letters may entitle an Investor to make an investment in the Funds on terms other than those described herein. Any such terms, including with respect to (i) economic arrangements (including alternative fee or other compensation arrangements), (ii) opting out of particular investments, (iii) reporting obligations of the Funds, (iv) transfer to affiliates, (v) co-investment opportunities, (vi) withdrawal rights due to adverse tax or regulatory events, (vii) consent rights to certain Governing Fund Document amendments or (viii) any other matters described therein, may be more favorable than those offered to any other Investors. Subject to certain exceptions, Investors may select side letter provisions granted to other Investors to the extent such provisions are reasonably applicable to them. If the general partners or the Funds enter into a Side Letter entitling an Investor to opt out of a particular investment or withdraw from the Funds, any election to opt out or withdraw by such Investor may increase any other Investors' *pro rata* interest in that particular investment (in the case of an opt-out) or all future investments (in the case of a withdrawal). Side Letters may be available only to an Investor after such Investor has become a limited partner of the Fund.

### *No Right to Control the Fund's Operations*

Investors will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by Hull Street on behalf of the Funds. Investors must rely entirely on the general partners and Hull Street to conduct and manage, respectively, the affairs of the Funds. No assurance can be given that the Funds will be successful in obtaining suitable investments, or that if such investments are made, the objectives of the Funds will be achieved.

### *Lack of Diversification*

The Funds may generally invest up to 20% of their assets in any one investment and will initially concentrate their investments in a limited number of entities engaged in the ownership, operation and development of middle market power companies and related assets. The Funds' investments will not be broadly diversified within this asset class. The Funds may, therefore, be subject to greater risk of loss than a more broadly diversified fund.

### *Investments in Leveraged Companies*

The Funds may invest in securities of highly leveraged companies. While these investments are likely to be particularly risky, they also may offer the potential for correspondingly high returns. In addition,

each of the Funds' portfolio companies or their assets may be pledged to third parties, including senior lenders and could be foreclosed upon or otherwise acquired by such parties under certain circumstances, including an incipient or un-remedied default. Under certain circumstances, payments to the Funds and distributions by the Funds to Investors may be reclaimed if any such payment is later determined to have been a preferential payment.

#### *Credit Support*

The Funds may make contingent funding commitments to its portfolio companies and provide credit support for such obligations. Such credit support may take the form of a guarantee, a letter of credit or a pledge of a portion of the Funds' capital commitments. Such funding commitments may be secured by an assignment of the general partners' rights to draw down capital from Investors and in such event Investors may be required to acknowledge and consent to such assignment. Utilization of the credit support will result in fees, expenses and interest costs to the Funds. In the event that one or more Investors fail to satisfy a drawdown or otherwise default on their contribution obligations pursuant to the credit support, such amount would be drawn from non-defaulting Investors on a *pro rata* basis up to the remaining amount of their respective unfunded capital commitments. In addition, the credit support may limit Investors' ability to use their interests in the Funds as collateral for other indebtedness.

#### *Third Party Co-Investors*

The Funds may invest alongside strategic, financial or other third party co-investors. The Funds' ability to achieve certain co-investment objectives assumes that Hull Street will be able to identify such co-investors and to negotiate and execute mutually acceptable terms and conditions in respect thereof. Such investments will involve additional risks which may not be present in investments which do not involve a co-investor, including the possibility that a co-investor may at any time have economic or business interests or goals that are not consistent with those of the Funds, may be in a position to take action contrary to the Funds' investment objectives, or may default on its obligations. While the Funds intend to mitigate these risks contractually through co-investment agreements, there can be no assurance that it will be successful in doing so. In addition, under certain circumstances the Funds may be liable for actions of its co-investors. To reduce the possibility of liability, the Funds will seek to hold its assets through limited liability entities and, where appropriate, obtain indemnities from its co-investors.

#### *Reliance on Management of Portfolio Companies*

Although Hull Street will monitor the performance of each investment, the Funds will rely upon management to operate the portfolio companies on a day-to-day basis.

#### *Distributions in Kind*

Although, under normal circumstances, the Funds intends to make distributions in cash, it is possible that under certain circumstances (including the liquidation of the Funds), distributions may be made in kind and could consist of securities for which there is no readily available public market.

#### *Risks Upon Disposition of Investments*

In connection with the disposition of an investment in a portfolio company, the Funds may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. The Funds may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure

documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by Investors. The Governing Fund Documents contain provisions to the effect that if there is any such claim in respect of a portfolio company, it will be funded by Investors to the extent that they have received distributions from the Funds, subject to certain limitations.

#### *Certain Tax Risks*

Investments in properties in the energy sector may be subject to numerous taxes and fees by the jurisdiction in which such companies are organized or operate.

The Funds may invest in entities, such as limited partnerships and limited liability companies, which are treated as pass-through entities for U.S. tax purposes. Investors will be subject to tax on their distributive share of the taxable income of such entities allocated to the Funds, even if they do not receive corresponding cash distributions. Investment in these entities is also likely to cause U.S. tax-exempt investors to be allocated unrelated business taxable income, and to cause non-U.S. investors to be allocated income effectively connected with the conduct of a U.S. trade or business. In addition, because the Funds' tax return is prepared using the tax information passed through to it by such entities, any delay in the Funds' receipt of such tax information could cause a corresponding delay in the Investors' receipt of the Funds' tax information.

#### *Risk Arising from Provision of Managerial Assistance*

Hull Street typically will designate directors to serve on the boards of directors of portfolio companies. The designation of representatives and other measures contemplated could expose the assets of the Funds to claims by a portfolio company, its security holders and its creditors, including claims that a Fund is a controlling person and thus is liable for securities laws violations of a portfolio company. These measures also could result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company; could result in claims against the Funds if the designated directors violate their fiduciary or other duties to a portfolio company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles; and could expose a Fund to claims that it has interfered in management to the detriment of a portfolio company. While Hull Street intends to manage the Funds in a way that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

#### *Certain Risks Associated With Investments in the Middle Market Power Industry and Related Assets*

As described above, Hull Street invests primarily in the North American middle market power sector. This sector is subject to numerous operational, competitive, political, regulatory, and other risks that are described more fully in the Governing Fund Documents. As a result, the performance of the Funds may be more susceptible to factors affecting this sector than if the Funds were more broadly diversified.

#### *Energy Commodity Risks*

Investments in the power and energy sectors typically will include some exposure to commodity related risks of price, supply, basis and quality. Hull Street typically seeks investments where the exposure to such risks is minimal; however, no assurances exist that Hull Street's hedging strategies will adequately insulate the Funds from commodity related risks.

#### *Broken Deal Expenses*



Investments in the middle market power industry often require extensive due diligence activities prior to acquisition, the expenses relating to which can be quite substantial. Due diligence costs include among others: feasibility and technical studies; preliminary engineering costs and marketing studies; environmental reviews; legal costs; and bid preparation and submission costs. In the event that the Funds' prospective investment is not finalized, Hull Street or its affiliates have discretion whether to allocate any unconsummated investment expenses with respect to such potential investment to solely the principal investing Fund (which is Fund I and Fund I-P at the present time) and/or to its co-investors (or the applicable co-invest vehicle, if any).

#### *Diverse Membership*

The Investors are expected to include taxable and tax-exempt entities and may include persons or entities organized in various jurisdictions. As a result, conflicts of interest may arise in connection with decisions made by the general partner that may be more beneficial for one type of investor than for another type of limited partner. In addition, the Funds may make investments that may have a negative impact on related investments made by the investors in separate transactions. In selecting investments appropriate for the Funds, the general partner will consider the investment objectives of the Funds as a whole, not the investment objectives of any Investor individually.

## **Item 9        Disciplinary Information**

In the past ten years, there have been no legal or disciplinary events involving Hull Street or any of its employees that would be material to an Investor's evaluation of Hull Street.

## **Item 10      Other Financial Industry Activities and Affiliations**

### **A.      Broker-Dealer Registration**

Hull Street is not registered as a broker-dealer or a registered representative of a broker-dealer, nor does it have any pending application to register.

### **B.      Futures and Commodities Registration**

Hull Street is not registered as a futures commission merchant, commodity pool operator, commodity trading advisor, or associated party of any of those, nor does it have any pending application to register as such.

### **C.      Related Persons**

Hull Street serves as the manager of the Funds and, either directly or through affiliated entities, serves as the general partner (or in a similar capacity) to the Funds.

### **D.      Conflicts of Interest**

The Manager will not be compensated for recommending or selecting other investment advisers for its clients. The Manager also has no other business relationships with such advisers that will create a material conflict of interest.

Advisory agreements between Hull Street and/or its affiliates and its Funds require Hull Street and its affiliates to act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities to such clients but do not otherwise impose any specific obligations or requirements concerning the allocation of time, effort or investment opportunities to its Funds or any restrictions on the nature or timing of investments for the proprietary account of Hull Street, its affiliates or their respective principals, or for other accounts which Hull Street or its affiliates may manage. Hull Street professionals are not obligated to devote any specific amount of time to the affairs of any Fund, and Hull Street and its affiliates are not required to accord exclusivity or priority to a Fund in the event of limited investment opportunities.

On occasion, the general partners of a Fund may form co-invest vehicles managed by Hull Street, including where a Fund transaction would require more capital than would be permitted under diversification or other limits as set forth in its offering documents or where the general partner determines that a full allocation to the principal investing Funds (which currently are Fund I and Fund I-P) is not appropriate based on reasonable factors (which are consistent with the principal investing Funds' offering documents). Such co-invest vehicles will invest in portfolio companies in which one or more Funds will make or has made an investment. In certain cases, co-invest vehicles will invest in portfolio companies to warehouse investments on behalf of Fund I and Fund I-P. As discussed in Item 4 as well as Item 5, the fee structure of co-invest vehicles is expected to differ from a principal investing Fund managed by Hull Street.

If fee structures differ between Hull Street managed investment vehicles, such as between a principal investing fund and a co-invest vehicle or between concurrently investing principal investing funds, conflicts of interests could arise in respect of such situation, including (1) the possibility of Hull Street taking greater risk for an investment vehicle where it earns performance based compensation, (2) the possibility that fees charged to fee paying clients could be set at a higher level to account for lower or no fees charged at another vehicle and (3) the possibility that the adviser would favor fee paying client in respect of investment allocations. Hull Street is strongly focused on mitigating such conflicts arising in the

case of differential fee or expense structures and, as discussed in detail in Item 6, Hull Street believes that, in respect of the Co-Invest Funds at the current time, such conflicts are in fact substantially mitigated.

The allocation of co-investment opportunities by Hull Street to its Fund investors or outside investors creates certain conflicts, including the possibility of certain investors receiving preferential or more favorable investment terms not available to other investors. Hull Street is fully committed to mitigating such conflicts, including by providing its investors with full disclosure of its allocation practices in each Fund's governing documents. In addition, Hull Street maintains written allocation procedures related to the allocation of co-investment opportunities consistent with the foregoing.

Expenses borne by the Funds are allocated among any parallel funds, co-invest vehicles, and other entities that shared in the activities generating such expenses. Notwithstanding this, Hull Street or any affiliated entity may in its sole discretion determine whether to allocate any unconsummated investment expenses with respect to potential investment in which co-investment participation is contemplated to solely the principal investing Fund (which is Fund I and Fund I-P at the present time) and/or to its co-investors (or the applicable co-invest vehicle, if any).

In the event that in the future Hull Street were to manage more than one principal investing fund which concurrently invest (i.e., have overlapping investment periods), Hull Street will maintain written allocation protocols and policies setting forth pre-determined criteria and allocate investment opportunities in a fair and equitable manner based on such written protocols. Among other things, such protocols would provide that investments are appropriately allocated in a manner consistent with the investment strategy (including risk and return profile) of an applicable Fund.

Fees for PCOM Services paid to Hull Street, or an affiliate, do not offset any management fees unless such PCOM Services were provided by Principals in excess of certain time and expense caps. To the extent that fees for PCOM Services solely benefit Hull Street, a conflict could arise which causes the interests of Hull Street to diverge from the interests of the Funds in the acquisition and ownership of investments for the Funds. Hull Street is strongly focused on the foregoing conflict, has addressed the conflict in the relevant partnership agreements, established time and expense caps on fees for PCOM Services provided by Principals, and has established procedures to identify, evaluate and mitigate potential conflicts arising in connection with the PCOM Services.

## **Item 11      Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Hull Street has a fiduciary responsibility to treat its clients fairly and to avoid actual or potential conflicts of interest. The employees of Hull Street have an obligation to act solely in the best interests of Hull Street's clients and to make full and fair disclosure of all material facts, particularly where the clients' interests may conflict with the interests of Hull Street or its employees.

### **A.      Code of Ethics**

Hull Street has adopted a written Code of Ethics to ensure that Hull Street fulfills its role as a fiduciary to the Funds. The Code of Ethics is designed to address and avoid potential conflicts of interest and is applicable to all employees. The fiduciary principles that govern personal investment activities of employees will be, at a minimum, the following: (1) to place the interests of clients first at all time; (2) to conduct personal securities transactions in a manner that is consistent with Rule 204A-1 of the Advisers Act and in such a manner so as to avoid any actual or potential conflict of interest, or any abuse of an individual's position of trust and responsibility; and (3) to provide clients with advisory services in a way that never takes inappropriate advantage of Hull Street's position. Hull Street has a policy that the interest and privacy of clients always comes first and all employees will conduct themselves in accordance with the highest standards of integrity, honesty and fair dealing. Hull Street monitors compliance with the Code on an ongoing basis, and employees may be subject to disciplinary actions as severe as dismissal for certain infractions.

Should any potential conflicts of interest arise or should any violations of the Code of Ethics occur, employees have an ongoing responsibility to report such conflicts or violations to the Chief Compliance Officer, who will address such conflicts or violations on a case-by-case basis. Hull Street may also consult an Advisory Committee comprised of certain limited partners of the Funds with regard to any conflict. The responsibilities of the Advisory Committee are described fully in the Governing Fund Documents. Any decisions of the Advisory Committee with respect to conflicts are binding on the limited partners.

A copy of Hull Street's Code of Ethics is available upon request by an Investor or a prospective Investor from the Chief Compliance Officer.

### **B.      Participation or Interest in Client Transactions**

The general partner of Fund I and Fund I-P has an investment in the relevant Fund, and Hull Street employees may also invest in the Funds, typically through the general partner. The Co-Invest Funds were established prior to Fund I and Fund I-P partially for the purpose of warehousing portions of the investments on behalf of Fund I and Fund I-P, and accordingly Fund I and Fund I-P hold interests in the underlying investments of Co-Invest Funds through interests in such vehicles. As such, Hull Street's related persons participate in every transaction made by the Funds. While investments by related persons of Hull Street are intended to align interests of Hull Street and its related persons with those of the Funds, such investments may create conflicts of interest. To address any such conflicts, the investment arrangements are described and agreed upon in the Governing Fund Documents of each Fund. Generally, investments and disposals are made on the same economic terms for all Investors, including for Hull Street's related persons investing directly or through the general partner, and each investment is made pro rata among the Investors, including Investors that are related persons of Hull Street, so that Hull Street's related persons may not receive favorable terms or greater exposure to certain investments through the any Funds.

Except as discussed below, Hull Street does not recommend that its Funds invest in securities in which any related person has a material prior financial interest. As discussed above, through their personal

investment in the general partner of the Funds, Hull Street's related persons will indirectly hold the same or similar partnership interests as other Investors in the Funds and an interest in the same underlying securities.

The Co-Invest Funds were established as a dedicated co-invest vehicles to hold investments (directly or indirectly through one or more holding companies or special purpose vehicles). A portion of the limited partnership interests and the general partner interests in the Co-Invest Funds, were transferred to Fund I and Fund I-P following the launch of Fund I and Fund I-P, at an amount equal to the portion of the respective acquisition cost plus interest at the Prime Rate plus 2% in each case pursuant to the applicable terms of relevant Governing Fund Documents for the applicable Co-Invest Funds, Fund I and Fund I-P. With respect to Co-Invest I-A, HSE Co-Invest Fund I-A GP, LP ("*HSE I-A GP*"), a Hull Street affiliate in which the Principals hold a direct equity interest, retained a portion of its original indirect interest in the portfolio company through Co-Invest I-A. The remaining interest of HSE I-A GP in Co-Invest I-A may give rise to potential conflicts, including the Principals theoretically being motivated to devote a disproportionate amount of time to Co-Invest I-A and its sole investment, relative to other Co-Invest Funds in which it does not retain any interest. However, Hull Street is focused on operating Fund I and Fund I-P (each of which holds interests in all Co-Invest Funds and their investments) as required pursuant to their Governing Fund Documents and consistent with their investment mandate, and such conflict is further mitigated by, among other things, the Principals' personal indirect stake in Fund I and I-P and their investments.

C. Personal Securities Investing

Under certain circumstances, related persons of Hull Street employees may also be offered the opportunity to co-invest in individual transactions entered into by the Funds. Such co-investment rights may result in the Fund investing less capital than it otherwise would have in such transactions. Each such related personal transaction would be separately identified and made strictly in accordance with the Code of Ethics and the Governing Fund Documents. Such co-investment opportunities may only be offered if Hull Street determines that such co-investment is consistent with Hull Street's fiduciary duty to the Funds.

D. Personal Securities Trading

Hull Street has put procedures in place to adequately monitor the personal securities transactions entered into by its employees and related persons. In addition, to avoid the misuse of material non-public information or confidential client information, Hull Street maintains a restricted list of securities in which Hull Street and its employees may not trade.

## Item 12      **Brokerage Practices**

### A.      Selection of Broker-Dealers

As noted in Item 4, Hull Street will primarily offer investment advice with regard to a broad range of energy-related private investments, rather than advice and execution with respect to securities traded through a broker. To the extent Hull Street transacts in public securities (*e.g.*, on an exit or partial exit), or transacts in other non-private equity investments (*e.g.*, certain derivatives used for hedging purposes), Hull Street will seek to obtain best execution. Thus, Hull Street, as a matter of policy, does not expect to enter into soft dollar arrangements with respect to transactions for the Funds. If Hull Street determines to use soft dollars in the future, it will endeavor to do so within the “safe harbor” provided by Section 28(e) of the Securities and Exchange Act of 1934 and implement appropriate policies and procedures at that time. Although Hull Street may receive proprietary research from certain brokerage firms, it will not take the value of such research into account when selecting a broker. Instead, Hull Street will select a brokerage firm that it believes is in the best interest of the Funds.

### B.      Aggregation of Securities for Client Accounts

Hull Street investment vehicles may concurrently invest in a single portfolio company. To date, by virtue of warehousing through the Co-Invest Funds, Hull Street investment vehicles own concurrent investments in certain portfolio companies, and as previously noted, Hull Street reserves the right to raise additional co-invest vehicles in the future. In the event that concurrent investments in the same portfolio company are made by more than one Hull Street investment vehicle, Hull Street will seek to mitigate any such conflicts that may arise in respect of investment allocation among such vehicles, including by ensuring that investments are allocated in equitable and reasonable manner and otherwise consistent with Hull Street’s governing documents based on factors set forth therein. Due to the nature of its business, Hull Street does not expect to be aggregating the purchase and sales of securities on behalf of its Funds in a manner applicable to investment managers that manage public securities for multiple client accounts. However, Hull Street may do so in the future. If aggregation of orders of public securities were done, investment vehicles participating in aggregated trades would be allocated securities based on the average price achieved for such trades.

## Item 13      Review of Accounts

### A.      Periodic Review of Client Accounts

All investments are carefully reviewed by the Principals prior to any investment being made on behalf of the Funds. The Principals meet regularly to monitor portfolio company activities and discuss other matters related to current portfolio company holdings, such as market outlook and company fundamentals, including the evaluation of additional investment opportunities in the case of each Fund. These professionals will monitor operations, financial performance and strategic direction of each investment owned by the Funds.

### B.      Frequency of Review

Hull Street has established an “***Advisory Committee***” for Fund I whose voting members consist of investor representatives. The relevant Advisory Committee will ordinarily meet with the Manager or an affiliate on a periodic basis and at the Manager’s or affiliate’s discretion. Items and matters which the Advisory Committee will consider and act on include, but are not limited to, potential conflicts of interest and methods of valuation.

### C.      Reports to Clients regarding their Accounts

Hull Street provides Investors with (i) audited annual financial statements of the relevant Fund; (ii) quarterly statement of capital account related to investments in the Funds; (iii) a quarterly report containing an overview of the investment activity of the relevant Fund, including valuations; and (iv) on an annual basis, such other information as is necessary for the preparation of tax returns.



## Item 14      Client Referrals and Other Compensation

### A.      Other Compensation

No person, other than the Funds, will provide an economic benefit to Hull Street in exchange for providing investment advice or other advisory services to the Funds.

### B.      Client Referrals

In certain circumstances, Hull Street may, pursuant to a written agreement, compensate third parties for introducing prospective Investors to a Fund. Such compensation will be paid in compliance with applicable SEC rules and other applicable laws and regulations.

In connection with the launch and marketing of Fund I, Hull Street engaged Eaton Partners, LLC (“*Eaton*”), a nationally recognized third party marketing firm and an SEC registered broker-dealer, as a placement agent. Pursuant to a written agreement between Hull Street and Eaton, Eaton earns success fees based on investor commitments (for investors sourced or introduced by Eaton) to the Funds, generally at a rate of 1.00 - 2.25% with certain exceptions, plus reimbursed expenses. Pursuant to the written agreement, Hull Street paid Eaton’s fees with respect to any closing (in which the investor sourced or introduced participates) in quarterly installments, including interest, coinciding with the period over which such investor paid Hull Street or a Hull Street affiliate a management fee. Although Eaton Fees may be paid from the assets of the relevant Fund, such payments offset investor management fees on a dollar for dollar basis. This agreement between Hull Street and Eaton expires upon the final closing date of Fund I, unless terminated earlier under certain terms. Certain obligations under the agreement primarily with respect to successor funds survive termination of the agreement.

## **Item 15      Custody**

Hull Street is deemed to have custody of Fund assets under Rule 206(4)-2 of the Advisers Act because of the authority that Hull Street and/or its affiliates have over those assets. All Fund assets that are not exempt under Rule 206(4)-2 are maintained at a qualified custodian who provides statements to the Funds and to Hull Street on a regular basis. Each Fund is subject to an annual audit by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board. The audited financial statements will be prepared in accordance with U.S. generally accepted accounting principles and will be distributed to each Investor within 120 days of each Fund's fiscal year end.

## **Item 16      Investment Discretion**

As dictated by the Governing Fund Documents, Hull Street has full discretionary authority to manage the Funds and, therefore, will not be required to obtain, and will not seek, approval from the respective Fund or the Investors of the Fund with respect to Hull Street's investment decisions.

The Funds' investment strategy will be set forth in detail in each Fund's respective Governing Fund Documents and/or additional governing documents (if any). Individual Investors will not have the ability to impose limitations on Hull Street's discretionary authority. There will not be any separate classes for Investors. All Investors will receive identical interests.

Prospective investors will be provided with the Governing Fund Documents prior to their investment and will be encouraged to carefully review all offering materials and to be sure that the proposed investment in the respective Fund is consistent with their investment goals and tolerance for risk. Prospective investors will also be required to execute a subscription agreement, in which they will make various representations including representations regarding their suitability to invest in that privately placed investment pool.

## **Item 17      Voting Client Securities**

Hull Street invests primarily in private companies which typically do not issue proxies. On occasion, Hull Street may invest in private companies that go public, in which case such companies will issue proxies. Hull Street has adopted proxy voting policies and procedures designed to ensure that Hull Street votes proxies in the best interest of its clients. Hull Street maintains a record of all proxies voted on behalf of the Funds. Investors may contact Hull Street for a copy of its proxy voting policy or for information with respect to a specific vote.

As is typical of private equity investing, Hull Street generally approves one or more of its employees to act as representatives on the board of directors of portfolio companies on behalf of the Funds. In situations where Hull Street votes the proxy for a company for which an employee or employees of Hull Street serve on the board of directors, Hull Street has determined that this does not inherently present a conflict of interest as (a) the employee is on the board of directors as a representative of the Funds and (b) the sole purpose of this representation is to ensure that the Funds' interests are protected. Therefore, Hull Street believes the interests of the Funds and of these representatives are aligned with respect to proxy voting and otherwise. If a situation arises where a conflict with respect to proxies occurs, Hull Street will take appropriate steps to resolve such conflict.

## **Item 18      Financial Information**

### **A.      Prepayment of Fees**

Hull Street does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

### **B.      Financial Condition**

Hull Street is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

### **C.      Bankruptcy**

Hull Street has never been the subject of a bankruptcy petition.